

Transcript

February 9, 2012

Good afternoon everybody, Attorney General Martha Coakley, to my right is John Stephan Assistant Attorney General in the Consumer Protection Division, to his left is Amber Villa in the same Division, Assistant Attorney General, to my left is Stephanie Kahn, who is the Deputy Chief of the Public Protection and Advocacy Bureau, and to her left is Chris Barry-Smith who is the Deputy Attorney General. I appreciate that this is part of our team that has been involved, for a long time in all of our actions relating to the foreclosure crisis.

Since 2007, our office has been committed to investigations and results for homeowners who have been victimized by illegal foreclosure rescue schemes, unfairly marketed and sold loans, the securitization of those loans and those who were caught in the unlawful and unnecessary foreclosure machine. To date in Massachusetts we have brought over \$600 million in relief to Massachusetts homeowners prior to today's settlement. But we're not done, and in December, we filed our lawsuit against five major banks for unnecessary and unlawful foreclosures and we said at the time that we wanted to seek real relief for homeowners as well as real accountability from the banks. With the action that we are taking today in signing on to the 50-state and federal agreement with five major banks we believe that we have taken meaningful steps to do both of those things. Let me tell you what this agreement does and does not do.

First, what it does. By reaching the agreement today, the banks will provide an estimated over \$300 million in relief to distressed homeowners through loan modifications and principle reductions in Massachusetts. It also provides resources to the Commonwealth that we intend to use to make sure that that relief is used quickly and effectively to implement this settlement and to advocate for struggling homeowners. It also provides a national monitor to that across the country and individual states this agreement is implemented effectively and fairly.

What it does not do, because we filed suit and because we have always maintained that there were specific issues in Massachusetts based upon Massachusetts court decisions, we are able to negotiate an additional carve out of the Massachusetts specific claims that we brought in our suit and this agreement does not prevent moving forward on those claims. So we will continue with the relief that this brings to homeowners we will be able to continue our enforcement actions against the banks around what we believe were illegal and unnecessary foreclosures in Massachusetts, and frankly, through the use of MERS, the corruption of the land court system. We believe there is still much work to do.

We know there is a percentage of mortgages in Massachusetts that are not held by these five banks, in fact there are other players, and there are mortgages held by Fannie Mae and Freddie Mac, they are not included in this agreement, but we intend to seek with other interested states and the federal government relief for homeowners who have mortgages with those to help stabilize the market and put us on the road to an economic recovery. In addition we are pleased to be named as part of the state and federal task force to continue to investigate at the state and federal level the other civil crimes and criminal activity that are not released by the terms of this agreement.

We also intend to move forward in Massachusetts with our proposed loan modification statute, which would require banks to make a determination that if a foreclosure is commercially reasonable before they

move to foreclose on homeowners. That is pending in the legislature, we think it is important moving forward to create for all homeowners the kinds of standards that we believe are appropriate to get back on the road to recovery.

Immediate relief, continued enforcement, that's what we've achieved through our action today. We believe it's a good step, but we also believe that it is only one in a continuous path that we've fought since 2007 and will continue to, for relief and accountability for homeowners in Massachusetts.

Thank you.